

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 SSO-00 NSCE-00 INRE-00 CIAE-00 PM-03

H-02 INR-07 L-02 NSAE-00 NSC-05 PA-01 PRS-01 SP-02

SS-15 SCS-03 SCA-01 COME-00 EB-07 LAB-04 SIL-01 AGR-05

SEC-01 AID-05 TRSE-00 ARAE-00 /076 W

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O 141804Z APR 75

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC NIACT IMMEDIATE 9738

INFO DIA WASHDC IMMEDIATE

USIA WASHDC IMMEDIATE

AMEMBASSY GUATEMALA IMMEDIATE

AMEMBASSY SAN JOSE IMMEDIATE

AMEMBASSY SAN SALVADOR IMMEDIATE

AMEMBASSY MANAGUA IMMEDIATE

USCINCSO IMMEDIATE

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E.O. 11652: N/A

TAGS: PINT, HO

SUBJECT: REACTIONS TO UB BRIBE

REF: TEGUCIGALPA 1432

1. ALTHOUGH THE UNITED BRANDS BRIBE SCANDAL CONTINUES TO HAVE FRONT PAGE ATTENTION, THE NUMBER OF STORIES IS DIMINISHING IN THE ABSENCE OF NEW DEVELOPMENTS. UNDER HEADLINES "STOCK HOLDERS GIVE SUMMONS TO UB" THE APRIL 13 EDITION OF LA PRENSA CARRIES SIDE BY SIDE PHOTOS OF GENERAL LOPEZ AND AMBASSADOR SANCHEZ WITH A CAPTION SAYING THAT THEY MAY BE QUESTIONED BY THE INVESTIGATING COMMISSION. THE PAGE TWO STORY RELATING TO THE PHOTOS CARRIES HEADLINES QUOTING THE COMMISSION COORDINATOR, JORGE ARTURO REINA, AS SAYING

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"WE WILL ASK EXPLANATIONS OF THE CHIEF OF STATE AND

(AMBASSADOR) PHILLIP SANCHEZ IF NECESSARY." THE COMMENTS MADE BY REINA WERE PURPORTEDLY MADE AS HE LEFT A SESSION WITH UB EXECUTIVES HOUSTON LABOMBE AND ENRIQUE LOPEZ BALBOA THE EVENING OF APRIL 11.

2. ON APRIL 13 REINA CALLED A LOCAL USIS EMPLOYEE, TO DENY THAT THE AMBASSADOR'S NAME HAD BEEN MENTIONED AND TO ASK THAT HIS REGRETS BE CONVEYED TO THE AMBASSADOR. HE REMARKED THAT HE UNDERSTOOD THE COMMISSION WOULD BE UNABLE TO CALL AN AMBASSADOR. ALSO, ON APRIL 14 NAHAM VALLADARES OF EMISORAG UNIDAS INTERVIEWED REINA BY TELEPHONE AND THE LATTER AGAIN DENIED THAT HE HAD SAID THE AMBASSADOR COULD BE CALLED UPON FOR TESTIMONY. SINCE TIEMPO'S COVERAGE OF THE SAME INTERVIEW, PUBLISHED APRIL 12, THERE HAS BEEN NO MENTION OF THE POSSIBILITY.

3. OTHER POINTS MADE IN THE APRIL LA PRENSA STORY ARE THAT THE COMMISSION INTENDS TO USE THE SERVICE OF TECHNICAL EXPERTS AND THAT REINA BELIEVES THE COMMISSION HAS SUFFICIENT AUTHORITY TO CARRY OUT ITS TASK. FINALLY, THE ARTICLE QUOTES REINA AS SAYING THAT THAT COMMISSION HOPES TO RECEIVE EFFECTIVE HELP OVERSEAS (I.E. U.S.) AND DENYING THAT THE COMMISSION HAD RECEIVED PROTESTS FROM THE USG BECAUSE U.S. CITIZENS EMPLOYED BY UB WERE PROHIBITED FROM LEAVING HONDURAS UNTIL THE INVESTIGATION WAS FINISHED.

4. EL CRONISTA, A MORNING DAILY, CARRIED A FRONT PAGE EDITORIAL SAYING THAT IF THE CHARGE IS TRUE "THE SCANDAL" IS DIRTIER THAN THE DREYFUSS AFFAIR". IT WENT ON TO SAY THAT IT IS MORE SERIOUS THAN THE WATERGATE SCANDAL WHICH "TOPPLED THE MOST POWERFUL MAN IN THE WORLD". IN ANOTHER ARTICLE THE VICE RECTOR OF THE UNIVERSITY, VIRGILIO CARIAS, SAID THAT THE U.S. EMBASSY ISN'T INVOLVED WHEN A MULTINATIONAL COMPANY DISOBEYS THE LAWS OF THE COUNTRY BUT IS ALWAYS READY TO DEFEND THE COMPANY WHEN THE COUNTRY ATTEMPTS TO DEFEND ITSELF.

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5. LA PRENSA OF APRIL 14 CARRIED LARGE HEADLINES SAYING "LOPEZ COULD SUE THE WALL STREET JOURNAL." CITING A "CONFIDENTIAL SOURCE" THE PAPER SAID THAT LOPEZ COULD SOON SUE THE WALL STREET JOURNAL FOR SLANDER. THE "SOURCE" IS QUOTED AS SAYING "GIVEN THE MORAL AND ECONOMIC SOLVENCY OF THE CHIEF OF STATE, HE WOULD DEMAND THAT THE NEW YORK NEWSPAPER PRESENT PROOFS OF ITS ACCUSATION." IT IS

"SLANDER THAT IS PURELY INTENDED TO TARNISH  
LOPEZ'S WORK AND DAMAGE THE NATIONAL HONOR."

6. THE EDITION'S INNER PAGES CARRY A LONG STORY  
ATTRIBUTED TO THE AP HEADLINED "IT IS NOT POSSIBLE  
THAT THE INVESTIGATING COMMISSION CAN AFFECT  
LOPEZ." THE ARTICLE PRESENTS THE THESIS THAT  
LOPEZ IS STILL SECURE IN HIS POSITION AS "DICTATOR"  
AND THAT SINCE THE COMMISSION WAS APPOINTED BY  
HIM AND HIS CABINET, THERE IS NO POSSIBILITY THAT IT  
WILL PREJUDICE HIS INTERESTS IN ITS FINDINGS.  
SINCE THE AP STRINGER HERE IS CONNECTED WITH LA  
PRENSA, IT SEEMS LIKELY THAT THE PAPER IS USING  
THIS DEVICE TO PUT EDITORIAL OPINION INTO A NEWS-  
STORY.

7. LA PRENSA OF APRIL 14 ALSO SAID THAT THE  
COMMISSION HAD BEGUN A SESSION AT 3:00 PM APRIL 12  
IN THE CENTRAL BANK BUT HAD SUSPENDED IT 30 MINUTES  
LATER AND MOVED THE MEETING TO THE FRANCISCO  
MORAZAN MILITARY SCHOOL. AT THE SCHOOL THEY MET  
WITH THE SUPERIOR DEFENSE COUNCIL. WITHOUT  
IDENTIFYING A SOURCE, LA PRENSA INDICATED "IT WAS  
SAID THAT AT THE MOMENT THE CHIEF OF STATE, OSWALDO  
LOPEZ, WAS BEING INTERROGATED, IN THAT MANNER  
BEGINNING THE PROCESS BY WHICH ALL OFFICIALS WHO ARE  
MEMBERS OF THE (GOH BANANA COMMISSION WILL BE  
QUESTIONED." RESULTS OF THE SESSIONS WERE NOT KNOWN  
TO THE PRESS.

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INFO OCT-01 ISO-00 SSO-00 NSCE-00 INRE-00 CIAE-00 PM-03

H-02 INR-07 L-02 NSAE-00 NSC-05 PA-01 PRS-01 SP-02

SS-15 SCS-03 SCA-01 COME-00 EB-07 LAB-04 SIL-01 AGR-05

SEC-01 AID-05 TRSE-00 ARAE-00 /076 W

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O 141804Z APR 75

FM AMEMBASSY TEGUCIGALPA  
TO SECSTATE WASHDC NIACT IMMEDIATE 9739  
INFO DIA WASHDC IMMEDIATE  
USIA WASHDC IMMEDIATE  
AMEMBASSY GUATEMALA IMMEDIATE  
AMEMBASSY SAN JOSE IMMEDIATE  
AMEMBASSY SAN SALVADOR IMMEDIATE  
AMEMBASSY MANAGUA IMMEDIATE  
USCINCSO IMMEDIATE

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8. ON APRIL 12 A GROUP OF UNIDENTIFIED CITIZENS  
PLACED A MOUNING WREATH AT THE STATUE OF  
NATIONAL HERO FRANCISCO MORAZAN WITH CARDS  
DEMANDING THAT THE GUILTY BE PUNISHED TO REDEEM  
THE NATIONAL HONOR. ONE CARD READ "THE NATION  
THAT DOES NOT RISK EVERYTHING TO DEFEND ITS HONOR  
HAS NO WORTH."

9. ON ITS EDITORIAL PAGE LA PRENSA PRINTED A  
COMMENTARY BY RAMON VILLEDA BERMUDEZ, SON OF  
FORMER LIBERAL PARTY PRESIDENT RAMON VILLEDA  
MORALES. COMMENTING ON THE "SHAMEFUL" NEWS  
VILLEDA SAYS THERE IS NO REASON TO BELIEVE THAT  
THE EPISODE IS POLITICALLY MOTIVATED. HE ADDS  
THAT IT WILL BE DIFFICULT FOR HONDURAN REPRESENTATIVES TO APPROACH INTERNATIONAL LENDING INSTITUTIONS  
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WHEN, DURING THE MONTH FIFI STRUCK, BRIBE MONEY  
WAS BEING DEPOSITED IN SWISS ACCOUNTS. VILLEDA SAYS  
THAT SEVERAL MEMBERS OF THE INVESTIGATING COMMISSION  
HAVE PERSONAL INTERESTS IN THE COMMISSIONS FINDINGS  
AND THAT THE NATION'S HOPE LIES IN THE OTHERS ON THE  
COMMISSION WHO WILL PUT THE NATIONAL INTEREST ABOVE  
ALL PERSONAL CONSIDERATIONS. HE SAYS "AND, IF THERE  
DOES APPEAR THE NAME OF A HIGH OFFICIAL, THE INVESTIGATION SHOULD CONTINUE FORWARD ON ALL ILLICIT ACTS  
THAT ARE DISCOVERED, FOLLOWING TO THE END ALL RAMIFICATIONS THAT, SURELY, WILL BRING TO LIGHT OTHER BRIBES  
AND ACTS OF DISHONESTY"

10. APRIL 14 RADIO HRN REPORTED AN INTERVIEW WITH  
UB EXECUTIVE ENRIQUE LOPEZ BALBOA IN WHICH HE IS  
REPORTED TO HAVE SAID THAT THE HONDURAN BRANCH  
OF THE COMPANY KNEW NOTHING ABOUT THE UB - LOPEZ  
ARRANGEMENTS AND THAT THE COMPANY WAS FULLY  
COOPERATING WITH THE INVESTIGATING COMMISSION PRESS

QUOTES REINA AS AGREEING THAT THE COMPANY WAS COOPERATING.

11. COMMENT: PRESS AND RADIO COMMENT HAVE DIMIN-  
ISHED SLIGHTLY AFTER THE NAMING OF THE INVESTIGATING  
COMMISSION. HOWEVER, THE BRIBERY CHARGE IS STILL  
RECEIVING HEAVY MEDIA TREATMENT, AND THIS WILL  
UNDOUBTEDLY CONTINUE AS THE COMMISSION CONTINUES  
ITS INVESTIGATION.  
SANCHEZ

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## Message Attributes

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